

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 4, 2021

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APPLICATION OF

COLUMBIA GAS OF VIRGINIA, INC.

CASE NO. PUR-2021-00027

For authorization to amend and extend its
conservation and ratemaking efficiency plan
pursuant to Chapter 25 of Title 56 of the
Code of Virginia

ORDER FOR NOTICE AND COMMENT

On April 19, 2021, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed with the State Corporation Commission ("Commission") an application ("Application") for authorization to amend and extend for three years its Conservation and Ratemaking Efficiency Plan ("CARE Plan") pursuant to Chapter 25 of Title 56 of the Code of Virginia ("Code").¹ According to the Company, its current CARE Plan includes a portfolio of programs that promote conservation and energy efficiency among CVA's residential customers and a decoupling mechanism that adjusts actual non-gas distribution revenues per customer to the allowed distribution revenues previously approved by the Commission.² In its Application, the Company proposes to extend its CARE Plan, along with certain modifications and amendments, for an additional three-year period, through December 31, 2024 ("Amended CARE Plan").³

The proposed Amended CARE Plan would only be available to residential customers, including a specific program for low-income and elderly residential customers.⁴ The proposed

¹ Code § 56-600 *et seq.*

² Application at 1.

³ *Id.* at 2.

⁴ *Id.* at 4.

Amended CARE Plan would extend three current conservation and energy efficiency programs and add one new program, for a total of 29 measures.⁵ Specifically, the Company requests approval to extend the following three conservation and energy efficiency programs,⁶ with certain modifications, for an additional three years:

- (1) Web-Based Home Audit Program;
- (2) Home Savings Program; and
- (3) Residential Income and Age Qualifying Program.⁷

The Company also requests approval of a new program, the Home Energy Report Program, which is intended to encourage customer engagement with home energy management and energy efficiency to reduce energy consumption.⁸

The Company expects to invest \$5.3 million over the three years of the Amended CARE Plan.⁹ According to the Company, the proposed Amended CARE Plan is designed to recover the incremental costs associated with its conservation and energy efficiency programs, as incurred, by means of a surcharge mechanism described in Section 12.4 of the Company's General Terms and Conditions (the CARE Program Adjustment ("CPA")).¹⁰ The Company estimates that the proposed Amended CARE Plan's CPA will cost the average residential customer, using 63.6

⁵ *Id.* at 1, 8.

⁶ The Commission approved these programs in Case No. PUE-2015-00072. *See Application of Columbia Gas of Virginia, Inc., For authorization to amend and extend its conservation and ratemaking efficiency plan pursuant to Virginia Code § 56-602*, Case No. PUE-2015-00072, 2016 S.C.C. Ann. Rept. 261, Order Approving Amended Natural Gas Conservation and Ratemaking Efficiency Plan (Feb. 23, 2016).

⁷ Application at 9-10.

⁸ *Id.* at 10-11.

⁹ *Id.* at 9.

¹⁰ *Id.* at 11-12.

dekatherms annually, approximately \$6.74 in 2022.¹¹ In its Application, CVA requests authority to implement the CPA effective with the first billing unit for the Company's January 2022 billing cycle (*i.e.*, December 31, 2021).¹² The Company's proposed Amended CARE Plan also includes a performance-based incentive mechanism and a decoupling mechanism.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; CVA should provide public notice of its Application; interested persons should have an opportunity to file comments on the Application, file a notice of participation as a respondent, and/or request that a hearing be convened; the Commission's Staff ("Staff") should be directed to investigate the Application and present its findings and recommendations in a report; and a Hearing Examiner should be assigned to rule on any discovery matters that arise during the course of this proceeding.

The Commission further takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.¹³ The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.¹⁴

¹¹ *Id.* at 12. The Company states that this CPA will be subject to a true-up. Direct Testimony of Carla Dix at 19.

¹² Application at 15.

¹³ See, e.g., Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Governor Ralph S. Northam. This and subsequent Executive Orders related to COVID-19 may be found at: <https://www.governor.virginia.gov/executive-actions/>.

¹⁴ See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency Extension of*

For clarification, we note that the proposed Application, if approved, would result in an increase to customer bills. We realize that the current COVID-19 public health crisis has caused devastating economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

Accordingly, IT IS ORDERED THAT:

(1) CVA's Application is docketed and assigned Case No. PUR-2021-00027.

(2) All pleadings in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.¹⁵

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in

Prior Orders, Case Nos. CLK-2020-00004 and CLK-2020-00005, Doc. Con. Cen. No. 200520101, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020).

¹⁵ As noted in the Commission's March 19, 2020 Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency in Case No. CLK-2020-00005, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency. *See supra* n.14.

which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding.

(5) On or before June 1, 2021, CVA shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
COLUMBIA GAS OF VIRGINIA, INC., TO AMEND AND
EXTEND ITS NATURAL GAS CONSERVATION AND
RATEMAKING EFFICIENCY PLAN
CASE NO. PUR-2021-00027

On April 19, 2021, Columbia Gas of Virginia, Inc. ("CVA" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for authorization to amend and extend its Conservation and Ratemaking Efficiency Plan ("CARE Plan") pursuant to Chapter 25 of Title 56 of the Code of Virginia. According to the Company, its current CARE Plan includes a portfolio of programs that promote conservation and energy efficiency among CVA's residential customers and a decoupling mechanism that adjusts actual non-gas distribution revenues per customer to the allowed distribution revenues previously approved by the Commission. In its Application, the Company proposes to extend its CARE Plan, along with certain modifications and amendments, for an additional three-year period, through December 31, 2024 ("Amended CARE Plan").

The proposed Amended CARE Plan would only be available to residential customers, including a specific program for low-income and elderly residential customers. The proposed Amended CARE Plan would extend three current conservation and energy efficiency programs and add one new program, for a total of 29 measures. Specifically, the Company requests approval to extend the following three conservation and energy efficiency programs, with certain modifications, for an additional three years:

(1) Web-Based Home Audit Program; (2) Home Savings Program; and (3) Residential Income and Age Qualifying Program. The Company also requests approval of a new program, the Home Energy Report Program, which is intended to encourage customer engagement with home energy management and energy efficiency to reduce energy consumption.

The Company expects to invest \$5.3 million over the three years of the Amended CARE Plan. According to the Company, the proposed Amended CARE Plan is designed to recover the incremental costs associated with its conservation and energy efficiency programs, as incurred, by means of a surcharge mechanism described in Section 12.4 of the Company's General Terms and Conditions (the CARE Program Adjustment ("CPA")). The Company estimates that the proposed Amended CARE Plan's CPA will cost the average residential customer, using 63.6 dekatherms annually, approximately \$6.74 in 2022. In its Application, CVA requests authority to implement the CPA effective with the first billing unit for the Company's January 2022 billing cycle (*i.e.*, December 31, 2021). The Company's proposed Amended CARE Plan also includes a performance-based incentive mechanism and a decoupling mechanism.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting testimony and exhibits for the details of these proposals.

TAKE NOTICE that the Commission may set any associated service, rates, terms, and conditions in a manner differing from that shown in the Application and supporting documents and thus may adopt service, rates, terms, and conditions that differ from those appearing in the Company's publication and supporting documents.

The Commission entered an Order for Notice and Comment in this case that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice

and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the Application may be obtained by submitting a written request to counsel for the Company: T. Borden Ellis, Esquire, and Katherine C. Creef, Esquire, NiSource Corporate Services Company, 1809 Coyote Drive, Chester, Virginia 23836, or tbellis@nsource.com and kcreef@nsource.com.

On or before June 21, 2021, any interested person may file comments on the Application by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Commenters are urged to submit comments electronically, though comments also may be sent to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

On or before June 21, 2021, any interested person or entity may participate as a respondent by filing, with the Clerk of the Commission at the address above or scc.virginia.gov/clk/efiling/, a notice of participation in accordance with the Commission's Rules of Practice. Such notice of participation shall include the email addresses of such parties or their counsel. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice.

On or before June 21, 2021, any interested person or entity may file with the Clerk of the Commission, in accordance with the Rules of Practice, a request that the Commission convene a hearing on the Application. All requests for hearing must include the email address of the filer or its counsel, along with (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why the issues raised in the request for hearing cannot be addressed adequately without a hearing. Filers are urged to make their requests electronically via scc.virginia.gov/clk/efiling, though requests for hearing also may be sent to the Clerk of the Commission at the physical address above.

A copy of any notices of participation and requests for hearing simultaneously shall be sent to counsel for the Company electronically at the email address set forth above.

All documents filed in this case shall refer to Case No. PUR-2021-00027. Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5- 20-150, *Copies and format*, of the Commission's Rules of Practice.

The Company's Application, the Commission's Rules of Practice and the Commission's Order for Notice and Comment may be found on the Commission's website: scc.virginia.gov/pages/Case-Information.

COLUMBIA GAS OF VIRGINIA, INC.

(6) On or before June 1, 2021, CVA shall serve a copy of its Application and this Order for Notice and Comment on the following local officials, to the extent the position exists, in each county, city, and town in which CVA provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city or town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(7) On or before June 15, 2021, CVA shall file proof of the notice and service required by Ordering Paragraphs (5) and (6) above, including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or by filing electronically at scc.virginia.gov/clk/efiling/.

(8) On or before June 21, 2021, any interested person may file written comments on CVA's Application with the Clerk of the Commission by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Commenters are urged to submit comments electronically, though comments also may be sent to the Clerk of the Commission at the address set forth above. All comments, however submitted, shall refer to Case No. PUR-2021-00027.

(9) On or before June 21, 2021, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at the address above or scc.virginia.gov/clk/efiling/. Such notice of participation shall include the email addresses of such parties or their counsel. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2021-00027.

(10) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the Application on the respondent.

(11) On or before June 21, 2021, any interested person or entity may file with the Clerk of the Commission, in accordance with the Rules of Practice, a request that the Commission convene a hearing on the Application. All requests for hearing must include the email address of the filer or its counsel, along with (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why the issues raised in the request for hearing cannot be addressed adequately without a hearing. Filers are urged to make their requests electronically via scc.virginia.gov/clk/efiling/, though requests for hearing also may be sent to the Clerk of the Commission at the physical address above. All requests for hearing, however submitted, shall refer to Case No. PUR-2021-00027.

(12) A copy of any requests for hearing and notices of participation simultaneously shall be sent to counsel for the Company, T. Borden Ellis, Esquire, and Katherine C. Creef, Esquire, NiSource Corporate Services Company, 1809 Coyote Drive, Chester, Virginia 23836, tbellis@nisource.com and kcreef@nisource.com.

(13) On or before June 28, 2021, the Company may file with the Clerk of the Commission a response to any requests for hearing and any comments filed by interested persons in this proceeding.

(14) The Staff shall investigate the Application. On or before July 16, 2021, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations and promptly shall serve a copy of the Staff Report on counsel to the Company and all respondents.

(15) On or before July 26, 2021, CVA may file with the Clerk of the Commission any response in rebuttal to the Staff Report. The Company shall serve a copy of its response on Staff and all respondents.

(16) All documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(17) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within five (5) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.¹⁶ Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(18) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to:
T. Borden Ellis, Esquire, and Katherine C. Creef, NiSource Corporate Services Company, 1809 Coyote Drive, Chester, Virginia 23836, tbellis@nisource.com, kcreef@nisource.com; and
C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219, MBrowder@oag.state.va.us.

¹⁶ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number PUR-2021-00027 in the appropriate box.